



COUNCILMEMBER CARL DeMAIO

FIFTH DISTRICT

CITY OF SAN DIEGO

MEMORANDUM

DATE: March 1, 2010

TO: Board Members of San Dieguito River Park Joint Powers Authority

CC: Dick Bobertz, Executive Director San Dieguito River Park

FROM: Councilmember Carl DeMaio *Carl DeMaio*

RE: Proposal to Eliminate Budget Deficit of the San Dieguito River Park

In light of the extraordinary financial problems faced by member agencies, the Board recently initiated a complete budgetary review of the San Dieguito River Park and asked all Board members to submit ideas to the Budget Committee.

If the River Park is to survive, we must fundamentally rethink how Park operations are structured and financed.

To achieve the goal of reducing operating costs, I respectfully submit the following proposal aimed at eliminating the budget deficit for further analysis and consideration.

Proposal: Reduce Fringe Benefit Costs Through Labor Negotiations or Contracting Out River Park Operations to a Local Non-Profit Agency

The salary and benefits structure of the River Park is derived from the County of San Diego. In short, River Park employees are provided the same salary and benefits package as County employees.

As the Board reviewed the budget at the last meeting on February 19, 2010, several labor costs stood out as excessive in comparison to what may be seen in a non-profit or even for-profit organization. (See Appendix 1)

To reduce these labor costs, the Board may want to reform the benefits packages for River Park employees. Should the Board not have the discretion to reform the benefit packages within the

current County model, it may want to consider contracting out some or all of the operations of the River Park to a non-profit organization.

If River Park staff were employed under a non-profit structure – rather than the County structure – they would receive standard Social Security and Medicare benefits for retirement, rather than the county benefits that come at a significantly higher cost.

The purpose of negotiating reforms to the benefits packages – or pursuing the contracting out of the functions – would be aimed at reducing or eliminating the following costs, many of which are not typically incurred by non-profit organizations:

| Budget Object | Benefit Provided | FY 09/10 Budget Cost |
|---------------|--|----------------------|
| 51410 | Retirement- CERS | 97,364 |
| 51415 | Retire Other Post Retirement (Health Supplement) | 12,875 |
| 51421 | Non County POB Contributions | 72,208 |
| 51430 | Retirement- CERS County Offset | 42,838 |
| 51450 | Retirement- OASDI & Medicare | 44,262 |
| 51510 | Employee Group Health & Life Ins., Disability Ins. | 14,833 |
| 51550 | Flex Credit | 60,460 |

To determine whether these costs can be renegotiated or whether contracting out some or all of the operations of the River Park is advisable, I request that the following information be provided to the Board at its next meeting:

1. A legal analysis by River Park counsel or County Counsel on:
 - o What obligations exist for the Board and management to engage in any kind of “meet and confer” with affected employees or bargaining units?
 - o What changes in the existing benefits structure does the Board have the discretion to implement at this time or in the future?
2. A financial analysis by the County of San Diego on:
 - o Which costs in the chart above could be eliminated or reduced if the River Park employees were transitioned to a non-profit?
 - o What transition costs would be associated with any transfer to a non-profit?
 - o What ongoing costs for accrued liabilities (particularly in the retirement area) would remain in the River Park budget for affected employees in the event that employees were transitioned to a non-profit?

3. A memorandum by the County of San Diego Department of Human Resources on:
- What process the River Park Board could engage in to propose and implement reforms to benefit packages awarded to River Park employees. What approximate timetable would be used?
 - What process would have to be followed to initiate a Managed Competition process? (To this end, I am also requesting that each member of the Board receive a copy of the County Competitive Sourcing Guide.)
 - As requested at the last JPA meeting, per line item breakdown of total compensation for each position. I've attached a copy of the City's line item breakdown for a Clerical Assistant. (Appendix 2¹)

Given that the San Dieguito River Park serves as an important regional asset and provides citizens with many cultural, educational and recreational activities, it is important that every method available to decision-makers for preserving this valuable public service is thoroughly examined.

I look forward to receiving the information requested above so that members of the JPA can make a fully-informed decision on this matter. To ensure that the Board can address these issues and solicit public input, I request that this proposal be docketed at our next meeting.

¹ Note that the City of San Diego currently underfunds its Retiree Health Care ARC by 50% annually. The "Retiree Health Care Contribution" line-item represents the PAYGO portion of the City's annual retiree health payment, while the "Other Post-Employment Benefits" line-item represents the pre-funding of future liabilities associated with retiree health care. Note that if added together, these line-item costs only represent half of the actuarially determined cost for retiree health care.

| | | | |
|---|----------|----------|----------|
| San Dieguito River Valley Regional Open Space Park | Adopted | Amend #1 | Amend #2 |
| Joint Powers Authority Fiscal Year 2009-10 Operating Budget | FY 09/10 | FY 09/10 | FY 09/10 |
| ORG 91160 FUND 44625 | | 9/18/09 | 02/19/10 |
| Appropriations | | | |

| | | | | |
|-----------------------|--|---------|---------|---------|
| Salaries and Benefits | | | | |
| 1000 Object Account | | | | |
| 51110 | Permanent Wages | 593,324 | 593,324 | 593,324 |
| 51115 | Temporary Wages | - | - | - |
| 51410 | Retirement - CERS | 97,364 | 97,364 | 97,364 |
| 51415 | Retire Other Post Retirement (Health Supplement) | 12,875 | 12,875 | 12,875 |
| 51421 | Non County POB Contributions | 72,208 | 72,208 | 72,208 |
| 51430 | Retirement- CERS - County Offset | 42,838 | 42,838 | 42,838 |
| 51450 | Retirement - OASDI & Medicare | 44,262 | 44,262 | 44,262 |
| 51510 | Employee Group Health & Life Ins., Disability Ins., | 1,483 | 1,483 | 14,833 |
| 51530 | Worker's Compensation Insurance | 4,984 | 4,984 | 4,984 |
| 51550 | Flex Credit | 60,460 | 60,460 | 60,460 |
| 51560 | Unemployment Insurance | 1,483 | 1,483 | 1,483 |
| Subtotal | | 931,282 | 931,282 | 944,631 |
| Services and Supplies | | | | |
| 2000 Object Account | | | | |
| 52304 | STIPEND to employees | - | - | - |
| 52062 | Telephone/Cell/Fax/Satellite Service | 9,988 | 9,988 | 9,988 |
| | Office Telephone (\$5200) | | | |
| | Cell service for Rangers (\$3000) | | | |
| | Dish Network (Satellite for Internet Service) (\$1788) | | | |
| 52130 | Insurance - General and Property Liability, incl Auto | 6,160 | 6,160 | 6,160 |
| 52134 | Insurance - Medical/Liability for Volunteers | 600 | 600 | 600 |
| 52182 | Fuel for Vehicle, incl Tractor | 8,000 | 8,000 | 8,000 |
| 52186 | Office Equipment Maintenance/Repair (Service Contracts | 2,500 | 2,500 | 2,500 |
| 52220 | Office Operation/Maintenance | 10,800 | 10,800 | 10,800 |
| 52220 | Recycle (\$180) | | | |
| 52220 | Dumpster Rental (\$900) | | | |
| 52220 | Janitorial Service (\$720) | | | |
| 52220 | Maintenance/Repair/Tires for Vehicles (\$6,000) | | | |
| 52220 | Uniform Allowance (\$3000) | | | |
| 52220 | Lake Hodges Bike/Ped Bridge Lease | 3,201 | 3,201 | 3,201 |
| 52220 | Dept. of Health Services Permit, Hodges Bridge | 525 | 525 | 525 |
| 52220 | Sikes Adobe Historic Farmhouse | 5,322 | 5,322 | 5,322 |
| 52270 | Memberships | 200 | 200 | 200 |
| 52304 | Miscellaneous, petty cash | 800 | 800 | 800 |
| 52330 | Office Supplies | 3,000 | 3,000 | 3,000 |
| 52332 | Postage | 1,000 | 1,000 | 1,000 |
| 52334 | Printing (Stationery, maps) | 3,200 | 3,200 | 3,200 |
| | Repay Loan for Bike/Ped Bridge Shortfall | | 275,000 | 275,000 |
| 52370 | Professional Services | 49,900 | 49,900 | 49,900 |
| | Attorney Services (\$30,000) | | | |
| | Bookkeeping Services (\$6,600) | | | |
| | Auditor Services (\$8,300) | | | |
| | County Services (\$3,500) | | | |
| | Computer/Website Consulting Services (\$1,500) | | | |
| 52304 | Stipends for Board Members (10 mtgs x \$100 x 2) | 2,000 | 2,000 | 2,000 |
| 52394 | Maps, photos | 250 | 250 | 250 |
| 52304 | Legal Notices | 300 | 300 | 300 |
| 52550 | Volunteer/Event Program | 10,575 | 10,575 | 10,575 |
| | Water/Ice/Refreshments (\$1050) | | | |
| | Volunteer Recognition (\$2,500) | | | |
| | Mailings - Activity Schedule and Newsletter | | | |
| | (included in postage & printing line items) | | | |
| | Scout Plaques/Awards (\$625) | | | |

OPERATING BUDGET

| San Dieguito River Valley Regional Open Space Park Joint Powers Authority Fiscal Year 2009-10 Operating Budget | | Adopted FY 09/10 | Amend #1 FY 09/10 | Amend #2 FY 09/10 |
|---|---|---------------------|----------------------|----------------------|
| | Other Events (e.g., Earth Day) (\$775) | | | |
| | Docent Training/Volunteer Patrol Training (\$1050) | | | |
| | Intern Stipends/Education/Outreach (\$2,875) | | | |
| | Kiosk Displays (\$200) | | | |
| | 20th Anniversary events (\$1500) | | | |
| 52560 | Books/Publications/Subscriptions | 200 | 200 | 200 |
| 52566 | Minor Equipment | 200 | 200 | 200 |
| 52672 | Utilities (at Undercrossing) | 600 | 600 | 600 |
| 52608 | Out of County Travel | 428 | 428 | 428 |
| 52610 | Training (incl Seminars, Trails Conf.) | 2,250 | 2,250 | 2,250 |
| 52612 | Employee Auto Reimbursement | 800 | 800 | 800 |
| 52550 | Endowment | - | - | - |
| 52304 | Computer Software (Quickbooks, Antivirus renew, etc) | 600 | 600 | 600 |
| 52304 | Email distribution service | 400 | 400 | 400 |
| Total Services and Supplies | | 123,799 | 398,799 | 398,799 |
| Other Charges | | | | |
| 53426 | Lease/Purchase Phone system | - | - | - |
| 53426 | Lease/purchase copier equipment | 2,800 | 2,800 | 2,800 |
| 56311 | Amortization Reserve (for future truck replacement) | 8,000 | 8,000 | 8,000 |
| 53426 | Loan Payments for Work Truck | 5,800 | 5,800 | 5,800 |
| Total Other Charges | | 16,600 | 16,600 | 16,600 |
| Fixed Assets | | | | |
| 54982 | Down Payment for 'Work vehicle for cargo, transports/tax/title/hitch/rack/trailer | | | |
| Total Fixed Assets | | - | - | - |
| Reserves | | | | |
| Total Appropriations | | 1,071,681 | 1,346,681 | 1,360,030 |
| Revenues | | | | |
| Account | | | | |
| 48117 | Transfer from Amortization Reserve | 5,800 | 5,800 | 5,800 |
| 48117 | Transfer from Trails/Land Mgmt fund for Admin Costs | 230,400 | 230,400 | 271,771 |
| 48117 | Transfer from Project fund for Admin Costs | 40,000 | 40,000 | 40,000 |
| 48117 | Transfer from Land Trust Fund (rent payments) | - | - | - |
| 48117 | Transfer from Fire Recovery Fund | - | - | - |
| 00000 | Fund Balance | 0 | 0 | 0 |
| 44105 | Interest | 30,000 | 30,000 | 30,000 |
| 45511 | Offtrack Betting | 50,000 | 50,000 | 50,000 |
| 45918 | Member agency assessments, includes endowment | 707,711 | 707,711 | 707,711 |
| 45918 | Stipend Reimbursements | 2,000 | 2,000 | 2,000 |
| 47526 | Donations transferred from SDRVC | 3,000 | 3,000 | 3,000 |
| 47526 | Mitigation Sale proceeds from Navy Brig 8.9 ac parcel | | 275,000 | 275,000 |
| 47526 | Ranger Reimbursement from SDRVC | - | - | - |
| 48117 | FEMA reimbursement for JPA staff time (transfer from Fire Fund) | | | |
| 46778 | Fees Received for Agenda Backup Material | - | - | - |
| 47540 | Nontaxable Sales | 125 | 125 | 125 |
| 47615 | Taxable sales (t-shirts/videos/books) | 2,645 | 2,645 | 2,645 |
| Total Revenues | | 1,071,681 | 1,346,681 | 1,388,052 |

Trail & Land Management Fund

| San Dieguito River Valley Regional Open Space Park Joint Powers Authority FY 09/10 - Trails/Land Mgmt Fund | | | Adopted 09/10 | Amend #1 09/10 | Amend #2 09/10 | Amend #3 09/10 | |
|---|-----------------------------|-------|--|-------------------|-------------------|-------------------|-----------|
| ORG 96601 FUND 44635 | | | | 06/19/09 | 09/18/09 | 02/19/10 | |
| Item # | Appropriations | | | | | | |
| 1 | | | | | | | |
| 2 | | | | | | | |
| 3 | Services and Supplies | | | | | | |
| 4 | 2000 Object Account | | | | | | |
| 5 | 6310 | 56311 | Transfer to Operating Fund for Admin. Costs | 230,408 | 230,408 | 230,408 | 271,771 |
| 6 | | | (Land Mgmt \$70,000; Interest, \$10,000, EEMP grant \$7,000 | | | | |
| 7 | | | N.E.G. Crews \$47,200; Trails Management \$106,208 and \$31,363 | | | | |
| 8 | 2290 | 52220 | Trail Maintenance/Construction/Open Space Mgmt General | 15,770 | 15,770 | 15,770 | 15,770 |
| 9 | | | Bernardo Mtn Fire Breaks (\$1,200) | | | | |
| 10 | | | Poway Fire Breaks (\$1,200) | | | | |
| 11 | | | Herbicide - (\$200) | | | | |
| 12 | | | Sign Materials (\$600) | | | | |
| 13 | | | Supplies, General Materials (\$1150) | | | | |
| 14 | | | Seeds/Plants (\$350) | | | | |
| 15 | | | Jute Netting, Erosion Control (\$500) | | | | |
| 16 | | | Haz-Mat Dumping, dump fees (\$600) | | | | |
| 17 | | | Tools Repairs/Replacement/Power Tools (\$770) | | | | |
| 18 | | | Work Crews (\$4,000) | | | | |
| 19 | | | Equipment Rental (\$600) | | | | |
| 20 | | | Water Truck Rental (\$400) | | | | |
| 21 | | | Fence materials (\$1,000) | | | | |
| 22 | | | Mulch (\$800) | | | | |
| 23 | | | D.G./Dirt/Gravel (\$1,000) | | | | |
| 24 | | | Culverts (\$200) | | | | |
| 25 | | | First Aid Materials (\$100) | | | | |
| 26 | | | Dump Fees - 2 trips (\$100) | | | | |
| 27 | | | Haz-Mat Dumping Clean-up, estimate (\$1000) | | | | |
| 28 | | | Training, Applicator Certificates | 1,300 | 1,300 | 1,300 | 1,300 |
| 29 | | | Tractor/Trailer Repair | 1,000 | 1,000 | 1,000 | 1,000 |
| 30 | | | Habib Ponds clean-up | - | - | - | - |
| 31 | | | Streambank Cleanup | 600 | 600 | 600 | 600 |
| 32 | | | Bernardo Mountain - biological surveys | - | - | - | - |
| 33 | 2290 | 52220 | Trailhead Portapotties (4 ADA at \$193/mo, 3 regular at \$81/mo) | 12,180 | 12,180 | 12,180 | 12,180 |
| 34 | 2376 | 52396 | West Bernardo Bike Path & Cantilever Project | 343,000 | 343,000 | 1,768,000 | 1,768,000 |
| 35 | 2290 | 52220 | Coastal Trails Management - Tools, Equipment, Signage, Gates | 32,792 | 32,792 | 32,792 | 103,241 |
| 36 | 2376 | 52396 | Exotic Species removal, monitoring & mapping | 40,000 | 40,000 | 40,000 | 40,000 |
| 37 | 2376 | 52566 | Tablet PC and GIS software for Field Use | - | - | 6,000 | 6,000 |
| 38 | 2376 | 52396 | Pamo Valley Trail Gap | 25,000 | 25,000 | 25,000 | 25,000 |
| 39 | 2376 | 52396 | Heritage Trail Link construction | | | 15,000 | 15,000 |
| 40 | 2376 | 52396 | Cactus Wren and Pond Restoration Projects | - | - | 95,325 | 95,325 |
| 41 | 2376 | 52396 | Cloverdale Creek Mitigation Project - water | 6,808 | 6,808 | 6,808 | 6,808 |
| 42 | Total Services and Supplies | | | 708,858 | 708,858 | 2,250,183 | 2,361,995 |
| 43 | | | | | | | |
| 44 | Fixed Assets | | | | | | |
| 45 | 4509 | 54982 | Ranger Truck for Coastal Unit | 30,000 | - | - | 32,500 |
| 46 | 4509 | 54982 | Mini-Carrier | | | 32,184 | 32,184 |
| 47 | Total Fixed Assets | | | 30,000 | - | 32,184 | 64,684 |
| 48 | | | | | | | |
| 49 | Reserves | | | | | | |
| 50 | 6705 | 56042 | General Reserve | - | - | - | - |
| 51 | | | | - | - | - | - |

Trail & Land Management Fund

| | | | | | | | |
|----|-----------------------------|-------|---|----------------|----------------|------------------|------------------|
| 52 | | | | | | | |
| 53 | Total Appropriations | | | 738,858 | 708,858 | 2,282,367 | 2,426,679 |
| 54 | | | | | | | |
| 55 | Revenues | | | | | | |
| 56 | Account | | | | | | |
| 57 | | | | - | - | - | - |
| 58 | 0640 | 26400 | Deferred Credits | - | - | - | - |
| 59 | 9190 | 44105 | Interest | 10,000 | 10,000 | 10,000 | 10,000 |
| 60 | 9742 | 47535 | Land Management Income: | | | | |
| 61 | | | Caltrans Bernardo Mtn Endowment | 8,850 | 8,850 | 8,850 | 8,850 |
| 62 | | | Homeowner Association Fees (Golem) | 26,000 | 26,000 | 26,000 | 26,000 |
| 63 | | | Fenton North Endowment | 6,730 | 6,730 | 6,730 | 6,730 |
| 64 | | | Fenton Ranch 90 | 15,911 | 15,911 | 15,911 | 15,911 |
| 65 | | | Maderas Westridge 9 | 5,000 | 5,000 | 5,000 | 5,000 |
| 66 | | | Sandag Dean parcel 23 | - | - | - | - |
| 67 | | | SDRVC Bernardo Mtn Endowment | 15,000 | 15,000 | 15,000 | 25,000 |
| 68 | 9742 | 47535 | Trails Management Income (SCE) | 169,000 | 139,000 | 139,000 | 273,312 |
| 69 | 9527 | 45414 | SDRVC - SDF and NRCS grants for Habitat Restoration | - | - | 95,325 | 95,325 |
| 70 | 9527 | 45414 | State EEMP grant for West Bernardo Bike Path & Cantilever | 350,000 | 350,000 | 350,000 | 350,000 |
| 71 | 9527 | 45414 | SANDAG EMP grant for invasive species removal | 50,000 | 50,000 | 50,000 | 50,000 |
| 72 | 9527 | 45414 | SANDAG EMP grant for Heritage Trail Link | | | 15,000 | 15,000 |
| 73 | 9527 | 45414 | SANDAG EMP grant for mini-carrier & GIS tablet | | | 38,184 | 38,184 |
| 74 | 9527 | 45414 | SANDAG Transnet grant for West Bernardo Bike Path | | | 1,425,000 | 1,425,000 |
| 75 | 9742 | 45414 | Caltrans for LH Bridge construction | - | - | - | - |
| 76 | 9527 | 45414 | Sandag for LH Bridge construction | - | - | - | - |
| 77 | 9527 | 45414 | State of California, River Parkway projects - for LH Bridge | | | | |
| 78 | 9527 | 45414 | State TEA for I-5 Trail | | | | |
| 79 | 9527 | 45414 | State of California, Coastal Conservancy, for I-5 Trail | | | | |
| 80 | 9990 | 47535 | State of California, SWRCB for Treatment Ponds | | | | |
| 81 | 9990 | 47535 | SDRVC - Pamo Valley Trail Gap | 25,000 | 25,000 | 25,000 | 25,000 |
| 82 | 9678 | 45848 | SDRVC - Highland Valley/Poway Trail Link | | | | |
| 83 | 0000 | | NRCS WHIP Grant | - | - | - | - |
| 84 | | | Fund Balance | 57,367 | 57,367 | 57,367 | 57,367 |
| 85 | Total Revenues | | | 738,858 | 708,858 | 2,282,367 | 2,426,679 |

**City of San Diego
Financial Management Department**

| Job Class 1535: Clerical Assistant | FY2010 Budget |
|---|----------------------|
| Salary | \$ 34,340 |
| Medicare | \$ 498 |
| Flexible Benefits | \$ 5,642 |
| Disability Insurance | \$ 213 |
| Other Post-Employment Benefits | \$ 2,406 |
| Employee Offset Savings | \$ 343 |
| Retiree Health Care Contribution | \$ 3,089 |
| Risk Management Administration | \$ 744 |
| Supplemental Pension Savings Plan | \$ 1,975 |
| Unemployment Insurance | \$ 51 |
| Unused Sick Leave | \$ 20 |
| Workers' Compensation | \$ 1,631 |
| Retirement Offset Contribution | \$ 1,168 |
| Retirement Contribution | \$ 5,491 |
| | <u>\$ 57,611</u> |